

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 92-052-C - ORDER NO. 92-425 ✓
JUNE 4, 1992

IN RE: Application of Executone Information)	
Systems, Inc. for a Certificate of)	ORDER
Public Convenience and Necessity to)	GRANTING
Operate as a Reseller of Intrastate)	CERTIFICATE
InterLATA Long Distance Services within)	
the State of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Executone Information Systems, Inc. (Executone or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of intrastate interLATA long distance services in the State of South Carolina. Executone's Application was filed pursuant to S.C. Code Ann. §58-9-280 (1976) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Executone to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Executone's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. Executone complied with this instruction and provided the

Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on May 12, 1992, at 11:00 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier, Chairman, presided. Robert T. Bockman, Esquire, represented Executone. Caroline N. Watson, Esquire, represented Southern Bell; Carl F. McIntosh, Esquire, represented the Consumer Advocate; and Gayle B. Nichols, Staff Counsel, represented the Commission Staff.

FINDINGS OF FACT

1. Executone is a privately-held corporation incorporated in the State of Virginia. Executone is a non-facilities based switchless reseller which provides interstate, interexchange long distance telephone service. Executone seeks a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange services on an interLATA basis within the State of South Carolina. Application.

2. Executone presented the testimony of Faye Restaino, Director of Network Services for the Company. Ms. Restaino testified that Executone's underlying carrier is U. S. Sprint and that the Company planned to resell services identified as Infostar LD+, Ultra LD+, Infostar 800, Ultrastar 800, and Infostar Calling Card. Ms. Restaino explained Executone would only provide interLATA operator services through U.S. Sprint. Ms. Restaino testified that Executone has approximately 130,000 computer

hardware customers to which it intends to market its resell services. Ms. Restaino admitted that Executone had completed intrastate long distance calls in South Carolina without having received certification. According to its Application, Executone agrees to abide by all applicable Commission rules, regulations, and orders.

3. At the beginning of the hearing, Southern Bell placed a stipulation between itself and Executone in the record. According to the terms of this stipulation, the Company agreed that any grant of authority would be for interLATA services only, all operator services would be only for interLATA calls and "0+" or "0-" intraLATA calls would be handed off to the local exchange company, and that if any intraLATA calls were inadvertently completed, Executone would have the local exchange company reimbursed pursuant to Order No. 86-793 in Docket No. 86-187-C. Southern Bell agreed that Executone should not be prohibited from offering any services authorized for resale by tariffs of facility-based carriers and which have been approved by the Commission.

4. At the conclusion of the hearing, the Consumer Advocate moved that the Commission require Executone to refund all money collected from South Carolina subscribers for completion of long distance calls within the State prior to its certification.

CONCLUSIONS OF LAW

1. The Commission concludes that Executone has the experience, capability, and resources to provide the service described in its Application and by Ms. Restaino's testimony.

2. Accordingly, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Executone to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission. Should Executone complete any unauthorized intrastate intraLATA calls then the Company will be required to compensate the local exchange companies for the unauthorized calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

3. The Commission adopts a rate design for Executone for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. Executone shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Executone shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Executone's subscribers shall constitute a general ratemaking proceeding and

will be treated in accordance with the notice and hearing provisions of S.C Code Ann. §58-9-540 (Supp. 1991).

5. Executone shall file its maximum rate tariff and an accompanying price list in a loose leaf binder to reflect the Commission's findings within thirty (30) days of the date of this Order.

6. Executone is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to Executone's resale of services, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

8. Executone shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission. If Executone changes underlying carriers, it shall notify the Commission in writing.

9. Executone shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

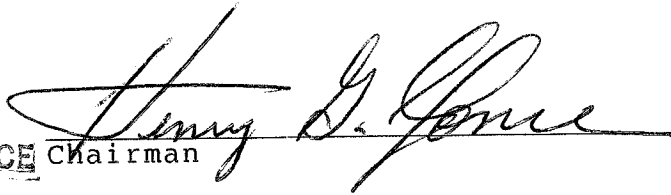
10. Executone shall not be required to refund to its customers any charges collected for intrastate calls completed prior to the date of this Order.

11. Any portions of Southern Bell and Executone's stipulation


not specifically addressed by this Order are hereby incorporated into this Order.

12. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER
DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).